



STATE BOARD OF EQUALIZATION

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No. 91/49

June 27, 1991

TO COUNTY ASSESSORS:

WELFARE EXEMPTION -- LOWER-INCOME HOUSING INCOME STATEMENT

Section 214(g) of the Revenue and Taxation Code provides that the Welfare Exemption is available for rental housing and related facilities serving lower-income households provided specified criteria are met. A partial exemption, equal to that percentage of the value of the property which the portion of the property serving lower-income households is of the total property, is also available.

To qualify for the Welfare Exemption, the property, or portion thereof, must be used exclusively for rental housing and related facilities serving "lower-income households" and must be owned and operated by a religious, hospital, scientific, or charitable fund, foundation, or corporation, including a limited partnership in which the managing general partner is an eligible nonprofit corporation, meeting all the requirements of Section 214.

The term "lower-income households" is defined by Section 50079.5 of the Health and Safety Code. A list of the income limits, based on the number of persons in the household, for each of the 58 counties is attached.

The law also requires that at least one of the following criteria is complied with:

"(1) Twenty percent or more of the occupants of the property are lower-income households whose rent does not exceed that prescribed by Section 50053 of the Health and Safety Code.

"(2) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the rents of the occupants who are lower-income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

"(3) The owner of the property is eligible for and receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.

Finally, in order to be eligible for the exemption provided by this subdivision, the owner of the property shall do both of the following:

"(A) Certify and ensure that there is a deed restriction, agreement, or other legal document which restricts the project's usage and which provides that the units designated for use by lower income households are continuously available to or occupied by lower-income households at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents do not exceed those prescribed by the terms of the financing or financial assistance.

"(B) Certify that the funds which would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower-income households."

Enclosed are the following forms and procedures to be used in the administration of the income requirements for rental housing for lower-income households:

1. The Supplemental Affidavit, Housing - Lower-Income Households, SBE-ASD AH 267L, Income 1991.

This affidavit must be filed by the claimant, in duplicate, at the same time that its duplicate claims for the welfare exemption are filed with the county assessor. The affidavit must include the lower-income household income limits based upon number of persons in the household, to be specifically used for households occupying properties owned by claimants in your county. The set of eight income limits is different for each county. Your affidavit must not be used for filing in another county.

You must provide a copy of the affidavit to each facility for lower-income households, or other facility occupied by such households where the organization files for the welfare exemption. The organization will not be allowed the exemption unless the proper information in a completed affidavit, in duplicate, is provided to the assessor, who will forward a copy of the affidavit, along with a copy of

June 27, 1991

the welfare exemption claim, to the Assessment Standards Division, State Board of Equalization, for review under the provisions of Section 254.5, Revenue and Taxation Code.

NOTE: The low-income exemption calculation under 214(g) is the value of low-income households to the total area of the property, unlike 214(f) which is the number of low- and moderate-income elderly and handicapped families occupying the property to the total number of families occupying the property.

2. A copy of the Lower-Income Household Income Limits for 1990 showing the limits based upon number of persons in the household for each of the 58 counties.
3. A suggested form that you should provide to organizations so that the organization can provide the forms to each household occupying a portion of its property in order to determine if the household income exceeds the specified limit for the household. The suggested form is titled, "Statement of Family Household Income." The eight income limits, based upon number of persons in families, for your county must be included on each form.

Please note that the form does not ask for the amount of household income, only that the form be signed if the household income does not exceed a stated amount.

The assessor should determine that an officer or manager of the organization verified that:

1. The income limits used on each statement provided to each occupant were correct.
2. The correct number of names of household members is entered on each statement completed by an occupant, and that the same number of persons and corresponding income limit is entered on the claimant's affidavit.

If you have any questions concerning these procedures, please contact our Exemption Unit at (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
Enclosures
AF-03B-2539A

WELFARE EXEMPTION

Supplemental Affidavit

HOUSING - LOWER - INCOME HOUSEHOLDS

ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME (Yearly Filing)

(Read instructions carefully before preparing claim.)

This affidavit is required under the provisions of Sections 251 and 254.5 of the Revenue and Taxation Code for those organizations where the income of the occupants must not exceed certain limits.

This affidavit supplements the claim for welfare exemption and must be filed with the assessor, in duplicate, by _____. Failure to complete and file this form is grounds for denial of the exemption.

A. _____ states:
(Name of Person Making Affidavit)

1. (S)he is _____
(Title, such as President, etc.)

2. of the _____
(Corporate or Organization Name)

3. the address of which is _____
(Complete Mailing Address)

4. for the property located at _____
(Address of Property)

5. That (s)he makes this affidavit in behalf of said organization in support of a claim for exemption for the 19__ - 19__ fiscal year and certifies that:

A. There is a deed restriction, agreement, or other legal document which restricts the project's usage and which provides that the units designated for use by lower income households are continuously available to or occupied by lower-income households at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents do not exceed those prescribed by the terms of the financing or financial assistance, and

B. The funds which would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower-income households, and

C. At least one of the following criteria is applicable (check one):

☐ (1) Twenty percent or more of the occupants of the property are lower-income households whose rent does not exceed that prescribed by Section 50053 of the Health and Safety Code.

☐ (2) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the rents of the occupants who are lower-income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

☐ (3) The owner of the property is eligible for and receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

Signature of Person making Affidavit

Date

HOUSING - LOWER-INCOME HOUSEHOLDS

ELIGIBILITY BASED ON FAMILY HOUSEHOLD INCOME

Section 214 of the California Revenue and Taxation Code provides that property owned by nonprofit organizations providing housing for lower income households can qualify for the welfare exemption from property taxes to the extent that incomes of households residing therein do not exceed amounts listed below:

<u>No. of Persons in Household</u>	<u>Maximum Income</u>	<u>No. of Persons in Household</u>	<u>Maximum Income</u>	<u>No. of Persons in Household</u>	<u>Maximum Income</u>
1		4		7	
2		5		8	
3		6			

In order to qualify all or a portion of the total property for the exemption, you must have: (1) a signed statement for each household that qualifies (you keep the statement in case of further audit) and (2) you must complete the report below:

B. LIST OF QUALIFIED HOUSEHOLDS

(Complete or attach list showing desired information,
use additional sheets if necessary)

<u>Unit Number</u> (Use two lines if there are two households in a unit)	<u>No. of Persons in Household</u> (May be more than one household in unit)	<u>Maximum Income for Household Does Not Exceed</u>
1. _____	_____	\$ _____
2. _____	_____	\$ _____
3. _____	_____	\$ _____
4. _____	_____	\$ _____
5. _____	_____	\$ _____

C. RECAP FOR ALL HOUSEHOLDS, ELIGIBLE AND INELIGIBLE

Example Actual

NOTE: The low-income exemption calculation under 214(g) is the value of low-income households to the total area of the property.

1. Total number of households	100	_____
2. Number of qualified low-income households	40	_____
3. Total area of building(s) (square feet)	150,000	_____
4. Area of qualified low-income households (square feet).	75,000	_____

D. Exemption Calculation

Percentage of the area of lower - income households occupying the property to the total area of the property.

75,000/150,000 /

Percentage of Value of Property Eligible for Exemption

50% ==

WELFARE EXEMPTION

Instructions for Completion of Supplemental Affidavit

Housing - Lower-Income Households
Eligibility Based on Family Household Income
SBE-ASD AH 267L, Income -1991

Section 214 of the California Revenue and Taxation Code provides that property owned by nonprofit organizations providing housing for lower-income households can qualify for the welfare exemption from property taxes to the extent that household incomes of families residing therein do not exceed certain specified limits.

INSTRUCTIONS

The claimant (organization) must follow the instructions listed below. The claimant should provide each household living on the property with a copy of the attached form titled "Lower-Income Households - Statement of Family Household Income". The organization's property will not be allowed the exemption unless the proper information in a completed affidavit, in duplicate, is provided to the assessor, who will forward a copy of the affidavit, along with a copy of the welfare exemption claim, to the Assessment Standards Division, State Board of Equalization, for review under the provisions of Section 254.5, Revenue and Taxation Code.

Processing of the Affidavit by the Claimant

- A. The claimant (organization) should complete the front of the affidavit; it must be filed, in duplicate, along with the copies of the claim for welfare exemption by the date requested.
- B. The claimant must list on the affidavit the following information for only those lower-income households that qualify:
 - 1) Home address, apartment number, room number, etc. Use two lines if there are two households at the same location, etc.
 - 2) The number of persons claimed to be in the household (one household for each line item).
 - 3) The maximum income limit reported by each household (this figure should agree with the income limit based upon number of persons in the household that is printed on the affidavit).

Note: No reporting by line item is necessary for vacant room (areas), households that did not report, households that may not be lower-income, or for households whose incomes exceed the applicable income limits.

- C. The claimant must complete the Recap section of the affidavit for all households, eligible and ineligible, by entering:

Example

- | | |
|--|---------|
| 1) The total number of households. | 100 |
| 2) The number of low-income <u>qualified</u> households
(one for each line item completed in B, above). | 40 |
| 3) The total area of the building(s) (square feet). | 150,000 |
| 4) The area of qualified low-income households (square feet). | 75,000 |

- D. The claimant must complete the Exemption Calculation Percentage and enter the Percentage of Value of Property Eligible for Exemption on the appropriate line.

The exemption calculation percentage is computed by:

- 1) Enter the number of lower-income households occupying the property, in the example the number is 40.
- 2) Enter the total number of households occupying the property, in the example the number is 100.
- 3) Divide the number in 4 (75,000) by the number in 3 (150,000) to obtain the Percentage of Value of Property Eligible for Exemption:
 $75,000/150,000 = 50\%$ (percent).

Note: If a dollar amount is not entered in the upper portion of the second page of the affidavit for each number of persons, 1-8, contact the county assessor for the figures which are found in schedule SBE-ASD AH 267L Income Limits. The amounts are different for each county and they change annually.

Income includes but is not limited to:

- 1) Wages, salaries, fees, tips, bonuses, commissions and other employee compensation.
- 2) Net income from the operation of a business or profession or from rental of real or personal property.
- 3) Interest and dividends.
- 4) Periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or other similar types of periodic receipts.

- 5) Unemployment and disability compensation, workers compensation and severance pay.
- 6) Public assistance exclusive of any amount specified for shelter and utilities.
- 7) Alimony, child support payments and regular contributions or gifts from persons not residing in the dwelling.
- 8) All regular pay, special pay and allowances of a member of the Armed Forces who is head of the family or spouse.

The following items shall not be considered as income:

- 1) Casual, sporadic or irregular gifts.
- 2) Amounts specifically for or in reimbursement of the cost of medical expenses.
- 3) Lump sum additions to family assets such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses.
- 4) Amounts of educational scholarships paid directly to the student of educational institution and veteran benefits for costs of tuition, fees, books, and equipment.
- 5) The value of food coupons.
- 6) Payments received from the ACTION Agency, VISTA, Service Learning Programs, Special Volunteer Programs, National Older American Volunteer Program, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, SCORE and ACE.
- 7) Foster Child Care payments.

For a complete listing of income and deductions, see Department of Housing and Community Development Regulations, Section 6914.

(Suggested Family Household Income Reporting Form for 1991)

WELFARE EXEMPTION

LOWER-INCOME HOUSEHOLDS

STATEMENT OF HOUSEHOLD INCOME

Promptly sign and file this statement by _____ with an officer or the manager of the organization on whose property you reside.

Name(s) of Occupants: _____

Address or Unit No.
(No P.O. Box Nos.)

Complete the statement and return it to the manager of the organization that provides the housing.

1. Number of persons in family household. (See instructions.) _____

2. I certify (or declare) under penalty of perjury under the laws of the State of California that the family household income for the prior calendar year 1990, did not exceed \$_____. (Enter the amount of the income limit, shown below, for the number of persons in family household.)

Number of Persons in Family Household

Income Limit

1

\$

2

\$

3

\$

4

\$

5

\$

6

\$

7

\$

8

\$

Date: _____, 19____ Signature: _____

(Suggested Family Household Income Reporting Form for 1991)

GENERAL INFORMATION

Section 214 of the California Revenue and Taxation Code provides that property owned by nonprofit organizations providing housing for lower-income households can qualify for the welfare exemption from property taxes.

INSTRUCTIONS

FAMILY HOUSEHOLD INCOME

1. Enter the names of the persons who comprise your household. Also, enter address or unit number.
2. Enter on line 1 the number of persons who comprise your household.
3. Enter on line 2 the income limit figure for the number of persons shown on line 1.
4. Sign the statement if your combined household income is the same as or less than the income limit.
5. Promptly return the statement to an officer or the manager of the organization on whose property you reside so the organization will have time to complete the form that must be filed with the assessor.

HOUSEHOLD INCOME

Income includes but is not limited to:

- (1) Wages, salaries, fees, tips, bonuses, commissions and other employee compensation.
- (2) Net income from the operation of a business or profession or from rental of real or personal property.
- (3) Interest and dividends.
- (4) Periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or other similar types of periodic receipts.
- (5) Unemployment and disability compensation, workers compensation and severance pay.
- (6) Public assistance exclusive of any amount specified for shelter and utilities.
- (7) Alimony, child support payments and regular contributions or gifts from persons not residing in the dwelling.
- (8) All regular pay, special pay and allowances of a member of the Armed Forces who is head of the household or spouse.

The following items shall not be considered as income:

- (1) Casual, sporadic or irregular gifts.
- (2) Amounts specifically for or in reimbursement of the cost of medical expenses.
- (3) Lump sum additions to family assets such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses.
- (4) Amounts of educational scholarships paid directly to the student or to the educational institution and veteran benefits for costs of tuition, fees, books, and equipment.
- (5) The value of food coupons.
- (6) Payments received from the ACTION Agency, VISTA, Service Learning Programs, Special Volunteer Programs, National Older American Volunteer Program, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, SCORE and ACE.
- (7) Foster Child Care payments.

For a complete listing of income and deductions, see Department of Housing and Community Development Regulations, Section 6914.

WELFARE EXEMPTION - LOWER INCOME FAMILY HOUSEHOLD INCOME LIMITS FOR 1990
(TO BE USED FOR AFFIDAVITS TO BE FILED IN 1991)

COUNTY	NUMBER OF PERSONS IN FAMILY							
	1	2	3	4	5	6	7	8
Alameda	\$26,200	29,950	33,700	37,450	40,450	43,450	46,400	49,400
Alpine	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Amador	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Butte	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Calaveras	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Colusa	20,700	23,700	26,650	29,600	31,950	34,350	36,700	39,050
Contra Costa	26,200	29,950	33,700	37,450	40,450	43,450	46,400	49,400
Del Norte	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
El Dorado	22,250	25,400	28,600	31,750	34,300	36,850	39,400	41,900
Fresno	18,700	21,400	24,050	26,700	28,850	31,000	33,150	35,250
Glenn	19,250	22,000	24,750	27,500	29,700	31,900	34,100	36,350
Humboldt	18,050	20,600	23,200	25,750	27,800	29,900	31,950	34,000
Imperial	17,800	20,350	22,900	25,450	27,450	29,500	31,550	33,600
Inyo	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Kern	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Kings	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Lake	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Lassen	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Los Angeles	24,350	27,850	31,300	34,800	37,600	40,350	43,150	45,950
Madera	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Marin	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Mariposa	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Mendocino	18,600	21,250	23,900	26,550	28,700	30,800	32,950	35,050
Merced	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Modoc	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Mono	20,450	23,350	26,300	29,200	31,550	33,850	36,200	38,550
Monterey	21,300	24,300	27,350	30,400	32,850	35,250	37,700	40,150
Napa	23,650	27,000	30,400	33,750	36,450	39,150	41,850	44,550
Nevada	21,100	24,150	27,150	30,150	32,550	35,000	37,400	39,800
Orange	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Placer	22,250	25,400	28,600	31,750	34,300	36,850	39,400	41,900
Plumas	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Riverside	20,150	23,050	25,900	28,800	31,100	33,400	35,700	38,000
Sacramento	22,250	25,400	28,600	31,750	34,300	36,850	39,400	41,900
San Benito	18,350	21,000	23,600	26,250	28,350	30,450	32,550	34,650
San Bernardino	20,150	23,050	25,900	28,800	31,100	33,400	35,700	38,000
San Diego	23,150	26,450	29,750	33,050	35,700	38,350	40,950	43,600
San Francisco	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
San Joaquin	19,050	21,750	24,500	27,200	29,350	31,550	33,750	35,900
San Luis Obispo	21,350	24,400	27,450	30,500	32,900	35,350	37,800	40,250
San Mateo	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Santa Barbara	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Santa Clara	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Santa Cruz	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Shasta	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Sierra	21,100	24,150	27,150	30,150	32,550	35,000	37,400	39,800
Siskiyou	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Solano	23,650	27,000	30,400	33,750	36,450	39,150	41,850	44,550
Sonoma	24,000	27,450	30,900	34,300	37,050	39,800	42,550	45,300
Stanislaus	19,300	22,100	24,850	27,600	29,800	32,000	34,200	36,450
Sutter	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Tehama	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Trinity	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Tulare	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150
Tuolumne	18,800	21,500	24,200	26,900	29,050	31,200	33,350	35,500
Ventura	26,600	30,400	34,200	38,000	41,050	44,100	47,100	50,150
Yolo	22,250	25,400	28,600	31,750	34,300	36,850	39,400	41,900
Yuba	17,600	20,100	22,600	25,100	27,150	29,150	31,150	33,150